

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** February 6, 2008

**Bill Number:** S.B. 892

**Authors:** Grooms; McConnell

**Committee Requesting Impact:** Senate Finance Committee

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### Bill Summary

A bill to amend Article 3, Chapter 11 of Title 11 of the 1976 code, relating to the General Fund and the Capital Reserve Fund, by adding Section 11-11-315, to establish the Transportation Maintenance Fund, to provide that two percent of the general fund revenue of the latest completed fiscal year be deposited into the Transportation Maintenance Fund, to provide that monies in the Fund must be used to offset revenue shortfalls, and to provide that any monies in the Fund at the end of the fiscal year must be deposited in the Non-federal Aid Highway Fund.

### REVENUE IMPACT <sup>1/</sup>

Based on the BEA's November 8, 2007 General Fund revenue estimate of \$7,107,825,466 in FY2007-08, the Transportation Maintenance Reserve Fund would be two percent, or \$142,156,509 in the FY2009-10 general appropriations bill.

### Explanation

This bill would add Section 11-11-315 to create a separate and distinct fund from the General Reserve Fund styled the Transportation Maintenance Reserve (TMR) Fund. The General Assembly shall appropriate an amount equal to two percent of the general fund revenue of the latest completed fiscal year in the annual general appropriations act. This appropriation must be contained in all versions of the appropriations act in the House, the Senate, and in any conference report on the general appropriations bill. If before March first, the Board of Economic Advisors' (BEA) revenue forecast for the current fiscal year is less than authorized appropriations for that year, and funds in the Capital Reserve Fund have been exhausted, then the current year's TMR Fund must be reduced before mandating any reductions in operating appropriations. If the fiscal year ends with an operating deficit and funds in the Capital Reserve Fund have been exhausted, then the TMR Fund must be exhausted before the Budget and Control Board withdraws monies from the General Reserve Fund. Any monies remaining in the TRM Fund at the end of the fiscal year must be deposited in the State Non-Federal Aid Highway Fund and used for the replacement, maintenance, and repair of bridges, or to obtain matching federal funds. Based on the BEA's November 8, 2007 General Fund revenue estimate of \$7,107,825,466 in FY2007-08, the TMR Fund would be two percent, or \$142,156,509 in the FY2009-10 general appropriations bill. This act takes effect upon approval by the Governor.

/s/ WILLIAM C. GILLESPIE, PH.D.

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Chief Economist

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<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.